

CONCEPT NOTE

Parallel Session: **Model Municipal Law**

National Urban Conclave
24-25 October 2026

1. Background

Municipal governance in India underwent a significant constitutional transformation with the enactment of the Constitution (Seventy-fourth Amendment) Act, 1992, which recognised municipalities as institutions of local self-government. The Amendment introduced Part IX-A and the Twelfth Schedule, providing a constitutional framework for municipal administration, democratic representation and the devolution of functions. However, the extent of functional, financial and administrative devolution continues to vary considerably across states.

The Model Municipal Law (MML) 2003, was formulated to provide states with a reference legislative framework for strengthening municipal governance. More than two decades later, the increasing scale and complexity of Indian cities have created new institutional and administrative requirements, particularly in million-plus cities.

The NITI Aayog report, *Moving Towards Effective City Government: A Framework for Million-Plus Cities* (2026), identifies several structural challenges, including fragmented institutional responsibilities, limited executive authority of elected municipal leadership, inadequate fiscal autonomy and weak decentralised governance. Essential urban services are often distributed across municipal corporations, state departments, parastatals and Special Purpose Vehicles, creating challenges for coordination and accountability.

Against this backdrop, the National Urban Conclave 2026 provides an opportunity to deliberate on revisiting the MML 2003, as an enabling legislative framework for empowered, accountable and financially sustainable city governments. The proposed reforms will initially focus on million-plus cities, while providing an adaptable framework for wider municipal reform across states.

2. Objective

The objective of the session is to deliberate on the institutional, administrative and legislative reforms required to strengthen municipal governance in India's million-plus cities, with particular emphasis on revising the MML 2003.

The session aims to identify actionable legislative provisions and implementation mechanisms that can enable effective city government through strengthened political leadership, clearly defined executive authority, integrated service delivery, decentralised decision-making and enhanced fiscal autonomy.

3. Challenges

Despite constitutional recognition, municipal institutions in India continue to face limitations in exercising effective political, administrative and financial authority. In million-plus cities, essential functions are frequently distributed across multiple

agencies, resulting in fragmented service delivery, overlapping mandates and unclear accountability.

The divergence between elected political leadership and appointed executive authority further constrains municipal decision-making. Variations in mayoral powers and tenure, inadequate decentralised governance structures and delays in municipal elections affect institutional continuity and democratic accountability.

Limited fiscal autonomy, inadequate own-source revenues, unpredictable transfers and weaknesses in the functioning of State Finance Commissions compound these challenges.

The existing MML 2003 does not fully address the contemporary governance requirements of million-plus cities. A revised legislative framework is therefore required to establish empowered and accountable city governments with clearly defined responsibilities, integrated institutional arrangements and sustainable financial capacity.

4. Guiding Questions

The deliberations will seek to:

- Examine the institutional implications of directly elected Mayors with a five-year, co-terminus tenure and clearly defined executive powers.
- Explore the establishment of an empowered Mayor-in-Council system and a clearer delineation of responsibilities between the Mayor, elected council and Municipal Commissioner.
- Identify mechanisms for bringing essential urban services and city-specific agencies under effective municipal oversight.
- Assess measures to strengthen Zonal and Ward Committees, ensure timely municipal elections and improve democratic accountability.
- Deliberate on reforms to municipal finances, including own-source revenue mobilisation, predictable fiscal transfers and the functioning of State Finance Commissions.
- Identify priority amendments to the MML 2003, and approaches for their adoption through state municipal legislation.

The intended outcome is a set of priority reform recommendations to guide the development of a contemporary, implementable MML for million-plus cities.